



Financial Service Centers: Innovators in Consumer Empowerment

In addition to the wide variety of products offered at Financial Service Centers (FSCs), FiSCA members have proactively pioneered and implemented innovative programs designed to advance the overall financial well being of low-and-moderate income consumers. These programs comprise the FiSCA Consumer Empowerment Program. They include:

❖ *Savings*

FiSCA spearheaded and initiated the National Savings Program, which features a revolutionary mechanism through which consumers can establish an FDIC-insured savings account linked to the NetSpend All-Access Prepaid Card. **The savings accounts in this one-of-a-kind program require no minimum balance and carry no fees.** Cardholders can easily transfer money back and forth between the debit card and their savings account at no charge. **These savings accounts currently earn interest at a 5% APY**, significantly higher than most banks or credit unions are offering today.

Since its inception, more than 110,000 FiSCA customers have opened accounts through the National Savings Program. In total, cardholders have deposited more than **\$100 million** into these savings accounts since the beginning of the program. The National Savings Program is available to consumers through FiSCA-member locations.

❖ *Credit Building*

The need for a credit rating that is recognized by home and auto lenders, insurance companies, employers and others is fundamental. Yet millions of Americans do not have traditional credit relationships and, therefore, are unable to develop credit files. As a result, they cannot obtain credit at competitive rates. **They are targets of higher-cost loans for cars and homes despite the fact that these same consumers pay rent, utility and other bills on a monthly basis without fail at neighborhood FSCs.** These payments are not reported to the top three U.S. credit bureaus.

With that in mind FiSCA formed an alliance with PRBC (Payment Reporting Builds Credit) (owned by MicroBilt Corp.), an FCRA-compliant credit bureau **to enable these cash-based consumers – for the first time ever - to build a credit file and score** (sometimes immediately upon sign-up) based on their history of making rent and other recurring bill payments. The PRBC credit score can be used to demonstrate creditworthiness when applying for housing, credit, insurance, and employment. Through the credit scores provided by this collaboration between FiSCA and PRBC, it is anticipated that customers will obtain needed auto, mortgage and other loans at prevailing rates, get better rates on insurance products, and enjoy other benefits not previously available to them. **No other program exists to provide these responsible consumers the access to credit that they deserve.**

❖ *Financial Education*

Current financial education programs do not adequately target the needs of many low- and moderate-income consumers because they teach about products and services these consumers do not use, or which are not accessible to them. They do not appropriately address the day-to-day financial realities and needs of these consumers. In recognizing this fact, FiSCA recently commissioned the development of the first of its kind “audience appropriate” financial education program which better reflects the demonstrated needs, preferences and behaviors of these low- and moderate-income consumers who choose to use FSCs. This program will be accessible to these consumers at times and places of greatest convenience and will address their current financial needs while helping them plan for their future needs, including the transition to banks and/or credit unions when appropriate.